



REMODELING, BUILDING OR FIXING YOUR HOME?

Nail down these important details to secure your project

No matter if you are doing it yourself, hiring a general contractor or acting as your own GC, keep in mind that every construction project has risks as well as rewards. If you are thinking about starting a home-improvement project or building a home, consider these important issues to protect yourself and your assets:

Go with a pro

Are you working with a member of a professional association?

Members of NYSBA (New York State Builders Association) and PIA (Professional Insurance Agents) have access to education and other resources to help them provide you with the best results.

Establish who will pull the permits required for the work.

The person named on the permit is responsible for making sure the work is completed correctly and up to code—a professional contractor should know these requirements, so their name should be on the permits.

How about references? Longevity is a good indicator that you are working with a pro. Talk to your friends, family and neighbors to determine your contractor's reputation.

Important forms of protection

What needs to be done to make sure your project is protected?

Don't assume a single insurance policy will protect you from all risks. Ask your professional, independent insurance agent to review the contractors' insurance certificates and your insurance coverage.

Is your homeowners insurance adequate and up-to-date?

While homeowners insurance won't cover the contractor's faulty, inadequate or defective work, it will cover most ensuing damage that work causes to your property. Also, the personal liability coverage

Inquire before you hire!

Surprisingly, New York state does not require contractors to be licensed, but individual municipalities may.

A visit or call to your local building department can help you obtain this information.

Once you know, you can make sure your contractor has the appropriate licenses for his/her specific trade, such as electrician, plumber or HVAC.



could protect you from lawsuits, so make sure you talk to your professional, independent insurance agent before you start any project.

Workers' Compensation

It's in everyone's interest to make sure all workers on the job are covered with Workers' Compensation insurance. In fact, New York state requires whomever is obtaining a building permit to show evidence of WC insurance, and there are specific statutory requirements. New York has a unique labor law, known as 240/241a, or the "Scaffold Law," which can make homeowners liable if they direct or control the project operations when a worker is injured. The New York Fair Play Act also may require the homeowner to obtain WC insurance if controlling the work.

Sound complicated? Hiring a pro with proper insurance protects you from these expensive liabilities.

Do you need status as an "additional insured?"

When the homeowner hires a general contractor or subcontractors, the homeowner may want to be named as additional insured on their general liability policies. This insurance should be as close to standard unmodified coverage as possible.

How about Certificates of Insurance?

A Certificate of Insurance is a document that summarizes the terms, conditions and duration of an insurance contract. It shows what type of coverage is in place only at the time it is issued. There is no obligation for the insurer to advise the certificate holder that changes or amendments have been made to the policy, so the certificate can easily become out of date. When in doubt, make inquiries with the contractor's insurance producer.


Builders' risk


Sometimes a separate builders' risk policy or endorsement will be recommended to cover the home during construction or remodeling. This should be explored prior to work getting started.




If you can't get satisfaction, you can report a problem to the authorities: NYS Attorney General (for contractors and tradesmen): (800) 771-7755 and <https://ag.ny.gov/contact-attorney-general> NYS Department of Financial Services (for financial and insurance issues): (212) 480-6400 or toll-free (800) 342-3736 (Monday through Friday, 8:30 a.m. to 4:30 p.m.) and www.dfs.ny.gov/consumer/

Measure twice, cut once and make sure to ...

 **Get details in writing.** Go over your contract with your contractor in person, make sure it includes a work schedule, detailed specifications and a payment schedule that match your expectations. Get a copy of the contractors' certificate of insurance for your agent to review.

 **Keep all your paperwork** including your contract, proof of licensing (if required) and all insurance, as well as invoices, proof of payment(s), photos of the job and all correspondence (e.g., emails, letters, etc.).

 **Consult with professionals and authorities.** Call your local building department; hire professionals; and consult your independent insurance agent and your contractor's insurer to confirm permits and coverages are in place, before you get started.

Hammer out your concerns

Working with a professional can prevent a project disaster, and you will have protections in case things don't go according to plan. Consider a mediation plan in your contract and always raise concerns with your contractor as soon as they arise (and document them). A professional will work with you to explain any misunderstandings and a general contractor will work with their subcontractors to make sure the job is done correctly.

This public service message is brought to you by the New York State Builders Association and Professional Insurance Agents of New York State.